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ABSTRACT

A study identified innovative and exemplary state and local practices linking economic development and job training through community colleges and other institutions of higher and community education. The project reviewed the literature of national economic development activities and local government practices to stimulate economic development and job training. Baseline criteria were then established upon which to select six programs to study in depth. Three major research questions guided the study: what practices work, why they work, and what has been learned that is useful. Data were collected during two site visits and telephone contacts with persons at each site. Exemplary projects were distinguished by the involvement of community colleges, state educational agencies, and local business and industry through vested venture capital, involvement by local government, and assistance with job training. The study found that economic development begins at home; revitalization takes place with maximum cooperation among all players; maximum cooperation occurs most frequently when all parties realize benefits; effective local cooperative agreements help eliminate duplication of services; a data system of resources should be maintained; investment in human resources is the best way to increase innovation, productivity, and quality; and educational programs play a major role in economic development and must make a commitment to be proactive to employment and training. (YLB)

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Exemplary practices

linking

economic development and job training

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Exemplary practices linking

economic development and job training

Introduction:

The purpose of this paper is to describe research undertaken on behalf of the U.S. Department of Labor, to identify innovative and exemplary state and local practices linking economic development and job training through community colleges and other institutions of higher and community education. Out of this research emanates a series of suggestions, approaches and practices which can be applied and adapted to individual local circumstances to promote economic development and/or economic recovery through linkages of any number of job training agencies and organizations together with local business and industry. The Job Training Partnership Act (P.L. 97-300) serves as the baseline legislation for the purposes of evaluation of the exemplary practices.

Research Methodology:

To guide this research project a review of the literature was conducted of economic development activities nationally, including public and private educational/job training programs, and practices of local governmental entities to stimulate economic development and job training. Several hundred such programs were reviewed in order to establish the baseline

criteria upon which to select a half dozen programs to study in-depth. Both urban and rural programs were selected for this critical analysis.

Three major research questions were posed to guide the study:

(1) what practices work - a description of these practices would ultimately be constructed;

(2) why do these practices work - an analysis of the conditions leading to the success of these practices was made; and

(3) what has been learned that is useful to others -- a generalization of the findings for further consideration in federal, state, and local policy making is an outcome of this project.

Review of the Literature:

It is hypothesized that economic development collaboration best occurs when maximum cooperation is achieved by all parties, each of whom stands to benefit in some form. Further, it is believed that it best occurs when it is controlled at a local level and is focused on small business, and maximizing on the use of resources and services without undue duplication (Illinois, 1966). The research was aimed at providing new information to encourage further efforts to combine public education and job training for economic growth, especially in meeting the needs of economically disadvantaged and underemployed

workers. These further efforts may have be undertaken by the various organizations operating under The Job Training Partnership Act (JTPA)-- i.e., the state job training coordinating councils, the service delivery areas, and the private industry councils-- although the exemplary practices themselves need not have had any JTPA component.

With many well-intentioned organizations attempting to improve the overall economic and employment situations of their respective states and communities, the question remains as to why these problems persist. An answer rests in the ability of these organizations to share resources, articulate needs and intentions, and communicate. Thus coordination lies at the center of linkage.

Coordination activity becomes essential when state, local, and non-governmental organizations all attempt to interact or link. A need exists to ascertain workable solutions to this marriage of government, between economic development interests and job training needs.

Unfortunately, the linkage between job creation and economic growth initiatives goes counter to the ways in which these initiatives traditionally have been organized at state and local levels. Typically, the public policies and services related to these two areas, as well as those involving a critically

important third area--education--have operated as parallel systems (see Figure One), with:

* Economic development policies being the province of local government and local economic development agencies

* Job training being administered by corporations as well as by the job training operators sponsored by such related public initiatives such as JTPA; and

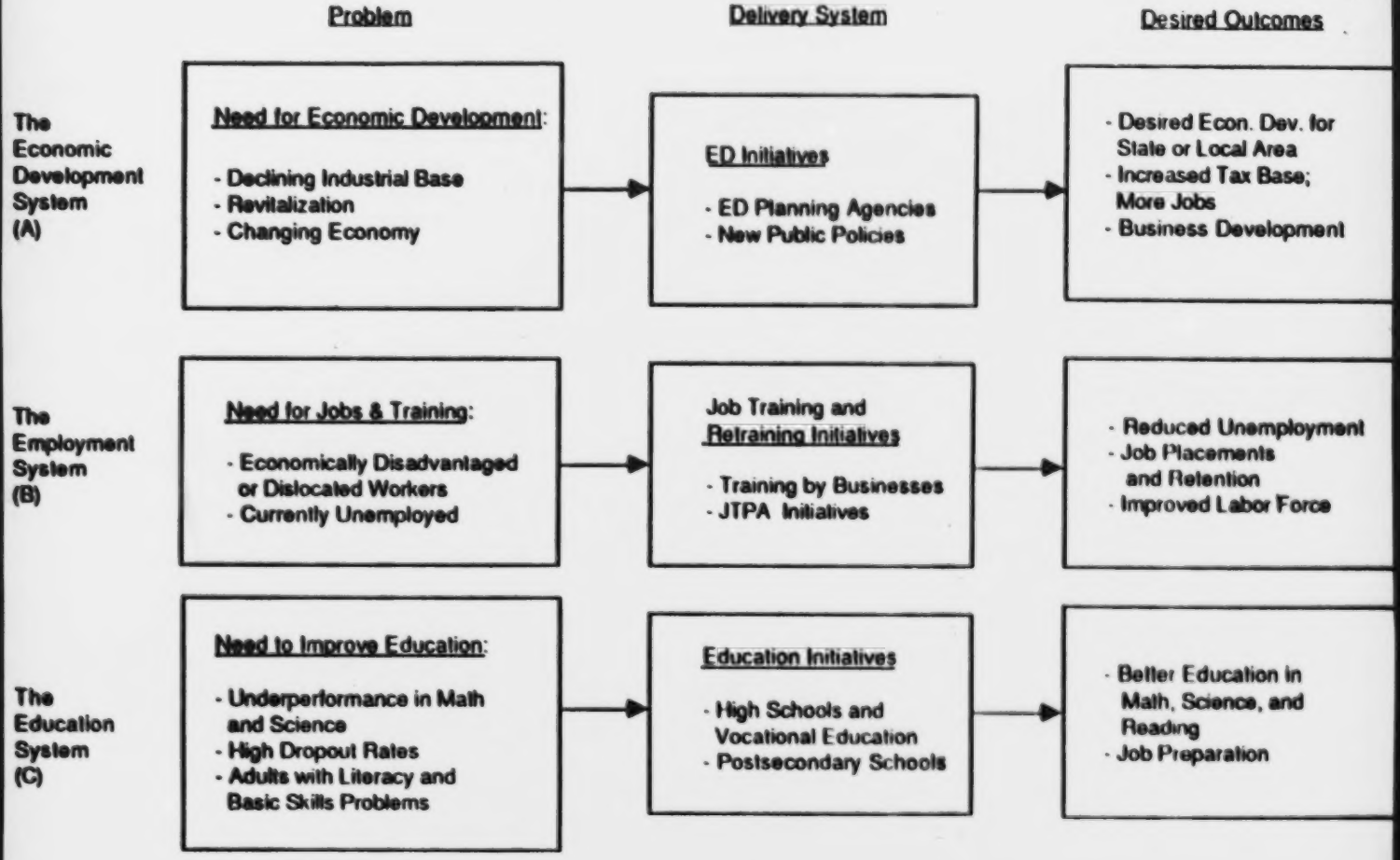
* Educational practices being governed by local school systems and postsecondary institutions such as community colleges.

The parallel nature of these systems can produce potential "mismatches" in outcomes. For instance, economic development initiatives, such as the establishment of an enterprise zone, (Butler, 1981; Mier, 1982) may be underway that will eventually reduce the need for certain jobs, even though job training programs are presently placing new employees in those very same types of jobs. Similarly, educational practices may not give the appropriate emphasis to academic subjects most relevant to job training or employment needs.

Ironically, those institutions credited with the greatest role in job creation outcomes--small businesses--are the most vulnerable to any of these types of mismatches, because such businesses: (a) have few resources for training their own employees (and in this way overcoming the deficiencies in the

Figure 1

THREE TRADITIONALLY PARALLEL SYSTEMS


Problem
Delivery System
Desired Outcomes
The Economic Development System (A)
Need for Economic Development:
- Declining Industrial Base
- Revitalization
- Changing Economy
ED Initiatives
- ED Planning Agencies
- New Public Policies
- Desired Econ. Dev. for State or Local Area
- Increased Tax Base; More Jobs
- Business Development
The Employment System (B)
Need for Jobs & Training:
- Economically Disadvantaged or Dislocated Workers
- Currently Unemployed
Job Training and Retraining Initiatives
- Training by Businesses
- JTPA Initiatives
- Reduced Unemployment
- Job Placements and Retention
- Improved Labor Force
The Education System (C)
Need to Improve Education:
- Underperformance in Math and Science
- High Dropout Rates
- Adults with Literacy and Basic Skills Problems
Education Initiatives
- High Schools and Vocational Education
- Postsecondary Schools
- Better Education in Math, Science, and Reading
- Job Preparation

available labor force); (b) cannot easily recruit and relocate new (and more appropriately trained) employees from other locations around the country; and (c) cannot themselves relocate readily to other places.

An Expanded Role for the Community College in Economic Development:

Community colleges are assuming new and emerging roles in community economic development through expanded institutional missions and goals (Charner and Gold, 1987). Included are business outreach services such as customized training for business and industry, on-site college programs for business and industry, sponsorship of entrepreneurial "incubator" centers and small business assistance centers and identification of sources of venture capital funds for small businesses. Kingry and Cole (1985) identified twenty-three activities prominent in community college economic development services. Activities included the technical assistance (pre-screening and skills assessment of new employees for businesses, consultation in specific disciplines or in business operation, job placement services, and technical library resources); technical training (including customized training, short courses, retraining or upgrade training, management skills, career and vocational counseling); and business development services (research and development in business areas, incubators, financial assistance identification).

The community colleges often provides services through participation as a contract training agency to the local Private

Industry Council (PIC), thus serving as a training delivery source for job training under JTPA. In This role, the community college provides vocational training, pre-employment training, job readiness counseling and training, job search assistance, remedial (i.e., ESL) instruction, as well as apprenticeship instruction.

The Task Force on the Role of Community Colleges in Economic Development (1988) surveyed the nation's community colleges and reported national trends in this broad economic development area. The most significant finding was that the nation's colleges are beginning to re-examine the impact that they have on the economic development of the communities they serve. Over eighty-five percent of the colleges reporting promote their involvement in economic development. One third have published institutional mission statements referring to economic development.

As a testament to their involvement, forty-seven percent of the responding colleges have a designated economic development specialist on staff, and seventy-seven percent of the colleges encourage faculty involvement in economic development. The study also identified catalytic and diffusion activities of the responding colleges, and documented over 50 projects at colleges nationwide. Credit for some of these catalytic and diffusion activities rests with organizations such as the American Association of Community and Junior Colleges, National Council of Occupational Education and the National Postsecondary Alliance and Sears-Roebuck Foundation (AACJC) Keeping America Working

Project).

The study indicated that 95% of the responding colleges had established linkages with economic development agencies. In their roles many of the responding colleges offered technical assistance in the forms of management counseling, resource information, and community supported services. Seventy percent of the respondents also provide quick start training of employees of new and expanding business. The study found that throughout the country, colleges are capitalizing on current and future trends for custom in-house education and contract training. Catalytic activities according to this report, consist of community college: a) linkage with other state and local agencies to support the establishment of new and expanding business and industry; b) extension of technical assistance to business and industry in the essential managerial functions of planning, organizing, implementing, and controlling; and c) delivery of job specific entry-level and supplemental customized training.

Variations in the services offered by many colleges are best reflected in: a) the degree of involvement; b) whether the involvement is active or passive (such as organizing, coordinating, brokering, consulting, establishing, coordinating vs providing space); c) whether the involvement should be essentially an internal effort of the college or whether it should concentrate on bridging the gap with already existing economic development efforts; d) whether the involvement should

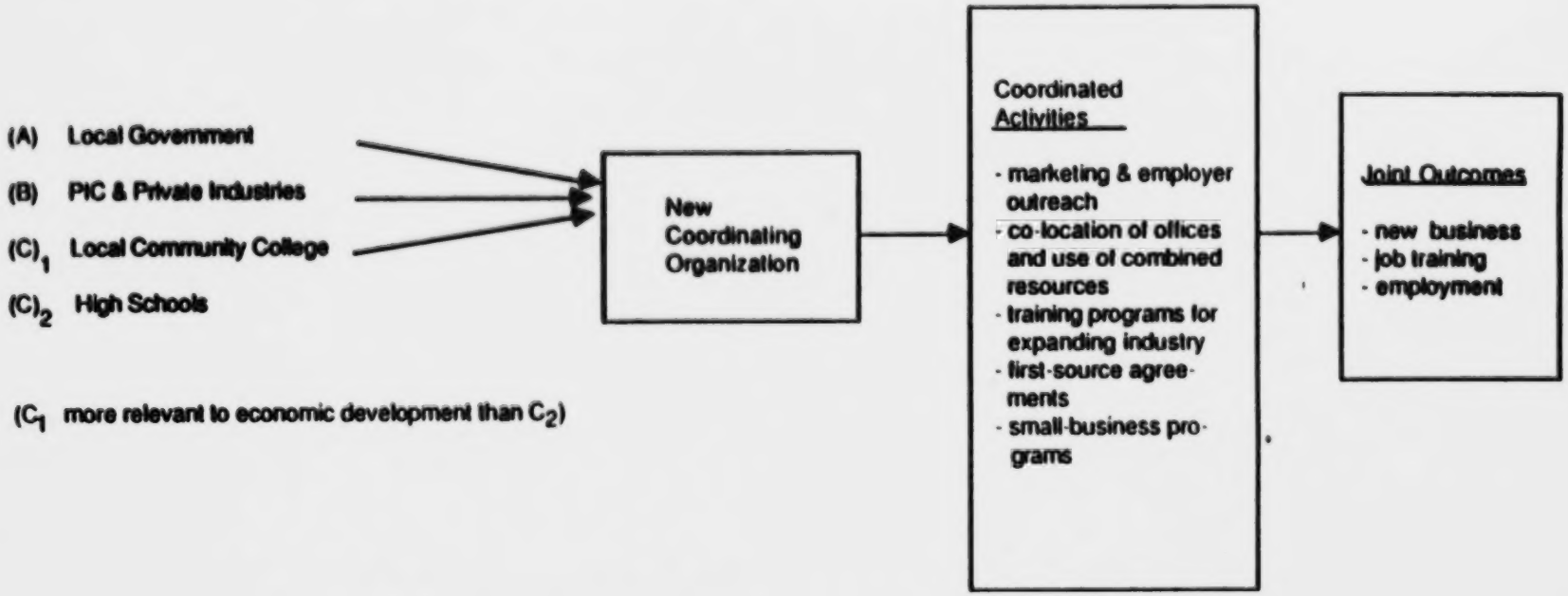
include personnel or only functions; and e) whether the college should serve as a catalyst or performer of identified tasks.

Community colleges cannot simply commit themselves to do economic development, but must cause it to occur. Mundhenk (1986).

Through a recognition that economic development is and always has been part of the community college mission; it is essential to understand and assert that the colleges inbetweeness is an advantage. Involve college staff in community development and planning activities and make economic development a broadly shared responsibility. Focus contacts with business and industry and define a market segment and accurately stick to it. Find partners in education and in industry and develop flexible programs and approaches. Emphasize the college's role in technology transfer as well as in job creation and development and be sensitive to the importance of leverage.Collaboration and support for economic development is often accomplished by a triangulation of business/industry, development groups (quasi-governmental, state, and local) economic development agencies, and community colleges (McNett, 1988). Figure 2 presents an overview of the identified emerging patterns of collaboration.

Figure 2

EMERGING PATTERNS OF COLLABORATION


(A) Local Government
(B) PIC & Private Industries
$(C)_1$ Local Community College
$(C)_2$ High Schools
(C_1 more relevant to economic development than C_2)
New Coordinating Organization
Coordinated Activities
- marketing & employer outreach
- co-location of offices and use of combined resources
- training programs for expanding industry
- first-source agreements
- small-business programs
Joint Outcomes
- new business
- job training
- employment

Site Selection

An exemplary practice as defined for this project and based on the literature is one which:

(a) a local effort has successfully joined employment and economic development resources and activities; producing

(b) significant and sustained job creation and economic development outcomes, of which at least a portion deal with:

1. assistance to small business; and

2. the employment of the types of persons eligible to participate in JTPA programs.

The six exemplary practices selected for study were :(1) Seattle/King County, (WA) Economic Development Council; (2) Northeast Florida Private Industry Council; (3) Pima County (AZ) Department of Community Services; (4) City of Grand Rapids (MI) Economic Development Department; (5) Susquehanna (MD) Private Industry Council; (6) Westchester County (PA) Economic Development Corp. The practices covered both rural and urban sites, and varying types of local economic conditions (e.g., rustbelt, sunbelt, snowbelt economies). They were regionally distributed and had participation from various ethnic and racial groups as targeted employment populations. Inquiries were made regarding types and degrees of involvement of the state and local policy making in fostering the exemplary practices.

Data Collection

The data collection for each practice was based on two site visits and telephone contacts with persons at each site. Face-to-face interviews, documents analyses, and direct observations were made during the site visits, during which information was gathered from a variety of agencies and organizations, per their relevance to the project. These agencies included community college and vocational-technical institutes, public and private planning organizations, some four-year colleges, economic development agencies, public-private partnerships, other collaborative agencies, and other components of state and local government.

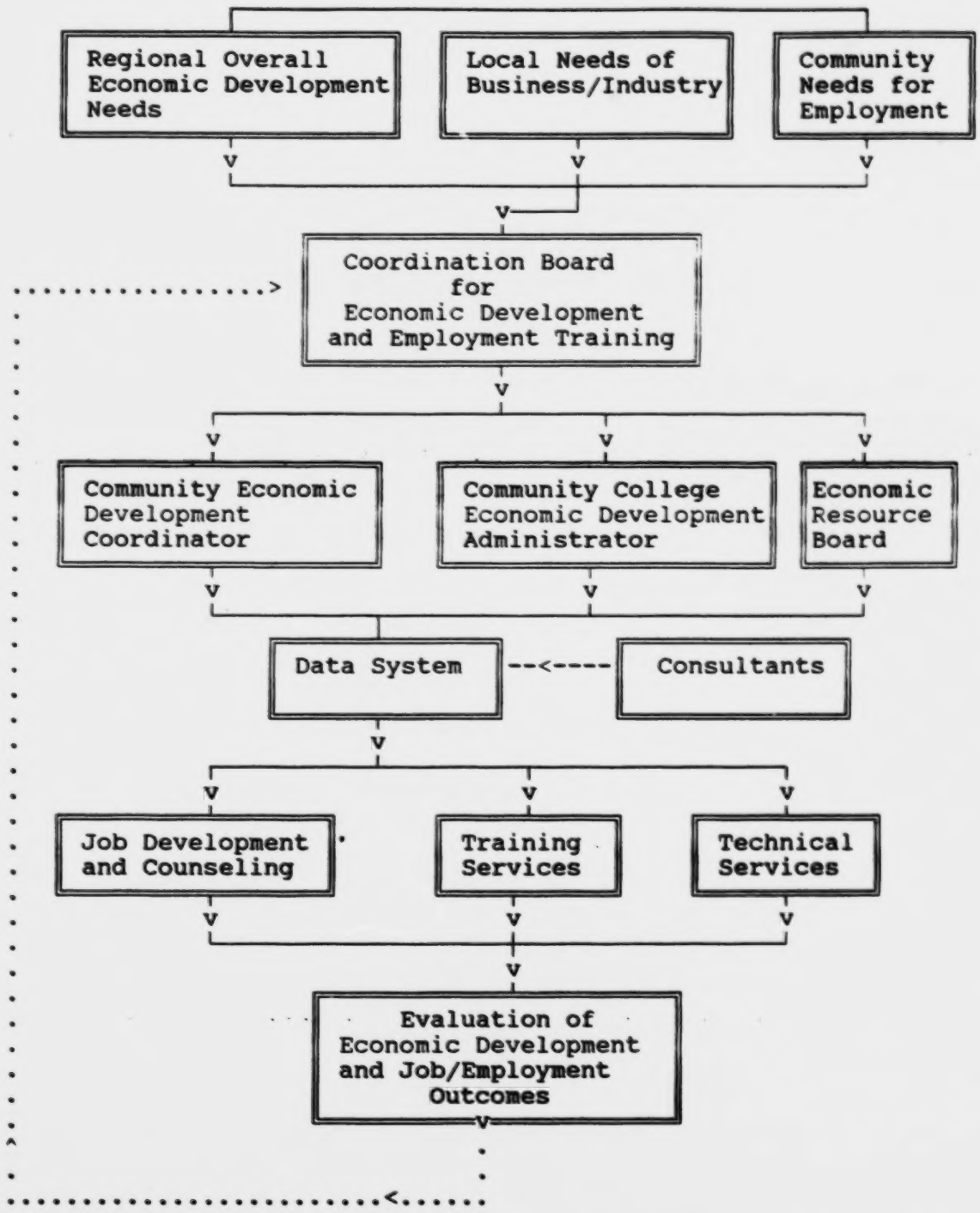
Findings:

Based on the data collected and analyzed, certain attributes emanated from each of the exemplary projects. Included was involvement of community colleges, state educational agencies, and local business and industry through vested venture capital in many forms. Involvement by local government was also an attribute found in each of the programs. This involvement might only be in the form of space, relocation assistance to business, or might be in the form of tax incentives. Assistance with job training was also an important component, and this took many forms. The major emphasis of this paper presentation will be on these methods of job training, the involvements of colleges and universities, and suggestions for becoming part of this thriving

economic development and job training collaboration.

A very powerful organization involved in the economic development partnership is the community college. This unique organization, once viewed solely as an educational institution, possesses the resources, capabilities, local community-based avenues, and economic interests to serve as a catalyst in overall local economic development, and a very valuable service to business and industry within its community service area (Mundhenk, 1988).

What has emerged based on this literature review is that effective leadership for linkages in economic development must involve communication and planning between various community based organizations and businesses. Figure 3 presents a synthesis of a model for economic development/job training linkage which appear to offer a promise of success. Successful local economic development and employment/job training is dependent on the formation of either formal or very well orchestrated informal linkages of economic development organizations with employment and training organizations. Per Figure 3, a structure for inter-organizational collaboration provides a viable catalyst for effective communications through planning and follow-through of goals and objectives.



Comprehensive Economic Development/Job Training Linkage Model

This most effectively takes the form of regional planning bodies for economic development articulating with training and technical services delivery organizations through a coordination body such as a PIC or economic development corporation. In principle, the following discussion highlights these interrelationships and rationale.

Through this study it has been found that:

* Economic development begins at home. It is the responsibility of all constituencies --economic development agencies, not-for-profit economic development corporations, private industry councils, community colleges, local business and industry, business people individually, and chambers of commerce to think and act in concert with the needs of local economic development. Communication between all parties is essential, and best accomplished through a formal coordination. In some communities this is effected via the private industry council.

* Revitalization takes place with maximum cooperation between all players. All constituencies must plan and act in concert to avoid duplication of efforts and maximum gain from limited resources. This cooperation is best achieved through participation on a local coordinating board. Likewise, participation of the economic development coordinator assigned to the region, interfacing with the training agency's economic development administrator, and an economic resource

board, if available, is essential. These people must also interface with the coordination board to receive input regarding regional needs and goals.

* Maximum cooperation occurs most frequently when all realize benefits. All constituencies must benefit in some way for their participation, or it is unlikely that all will give their all. Additionally, participants must see the fruits of their labors materialize. For this to occur, data regarding the needs of the region or community in terms of economic development goals and objectives, needs of specific businesses or industries, needs for employment and training, etc., must be identified, continually monitored, and successes in meeting these needs documented.

* Regional needs and differences are best dealt with by the regions. Local economic development groups need to articulate their concerns and needs to the state level and insist that sound problem solving assistance is provided.

* Effective private-public cooperative agreements on a local basis helps eliminate duplication of services and minimizes scarce resources. These should be based on planned and agreed upon goals and objectives, and the entire local group must pool their resources to gain maximum outcomes and effects. An effective entrepreneurial/educational linkage model requires that all participating parties have commonly agreed upon goals and objectives, as well as an open communication channel. Through ongoing dialogues and meetings with participating and potentially

participating community organizations such a Lions, Jaycees, local chambers of commerce, community organizations, Committee of 100, etc. a sponsoring institution can make a presentation of their resources and capabilities and colleges can offer their expertise in the areas of training/ education and technical assistance. This is an excellent opportunity to determine community business needs, available community and business resources, etc. for expanded service to the business community.

* Small business will continue to be the supplier of new jobs. Small business must be targeted for the lion's share of assistance to guarantee their success. The team including the college should identify, meet and individually visit with local business people, aspiring entrepreneurs, local business leaders, etc. and discuss some of their problems, concerns, and desired assistance from the economic development team. The college should establish a program to provide technical assistance and training to small disadvantaged firms based on the identification of barriers to conducting business in federal/commercial markets for small disadvantaged businesses, as well as providing a clearinghouse of technical information of potential use to the business owner/operator.

* A data system of resources should be maintained.

Identification should be made of community resources which the economic development team including the community college should be aware of:- including business trade organizations, on-going private corporate training, bank loan programs, Small

Business Innovative Research Programs, small disadvantaged business providers, etc. Concentration on identification of sources of venture capital, minority loan programs, etc. which could be used by small business, should be undertaken by the team, and a method for linking this technical assistance with needy entrepreneurs should be initiated.

* Investment in human resources is the best way to increase innovation, productivity, and quality. Whether through more effective training programs, personnel management techniques, support of local training delivery agencies, or whatever methods the local economic development group feels best meets their goals and objectives.

A major role of the team player(s) who will undertake the providing of technical assistance to small business entrepreneurs through a business development center, is to provide its talents and resources to assist by team effort, in alleviating some of the problems preventing local businesses and potential entrepreneurs and those seeking gainful employment from economic success. The team should work towards assisting members of the community who are chronically unemployed, in need of basic skills education and training, or who need some form of updated training. The community college should take a major role in this effort through sponsorship of the business development center. It should provide the major thrust of this effort at

identification of needed human resources in the community-- what jobs are most needed; what skills are most in demand-- and match this need through training to the unemployed or underemployed.

* The most cost effective way to create new jobs is via training within existing firms. Expansion of existing business is the best guarantee of successful economic development, as that business organization already has established and proven entrepreneurial objectives.

* Educational agencies can be more effective in marketing their services. Education needs to be more proactive to the goals and objectives of economic development. Services should include assistance to the overall group in industrial attraction, retention and expansion activities of firms, job training at the firms's level, entrepreneurial training, small business incubators, employment training, job search assistance, etc.

* Educational programs play a major role in economic development and must make a commitment. Educational agencies must not just be satisfied to provide courses when business and industry arrives at their door. Community college's through the sponsoring of entrepreneurial/educational centers have a unique opportunity to provide essential technical assistance consultation to local small business. The community college typically has a wealth of internal resources in its people, faculty, staff, graduates, etc. These people are often delighted

to become part of the team to provide training/educational opportunities, seminars, internships, technical consultation, etc.

The community college should establish a database of internal resources, faculty etc., which can be used to provide technical assistance and/or training/ education to the program. This will include meetings and reviews on all campuses of both full and part time faculty and staff.

* Educational agencies must proactively act to provide job training to positively affect unemployment and economic development. The community college or other training service delivery agency must recognize its responsibility to participate in identifying employment and training needs in the community. It also must identify sources of potential labor and match these entities to each other. Educational agencies must be proactive to employment and training.

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